UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

FOURKITES, INC.,	)	CASE NO. 1:16-cv-02703-CAB
	)	
PLAINTIFF,	)	JUDGE CHRISTOPHER A. BOYKO
	)	
v.	)	
	)	
MACROPOINT, LLC,	)	**MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION TO REASSIGN THIS ACTION TO THE HONORABLE JUDGE PATRICIA A. GAUGHAN**
DEFENDANT.	)	

I. Introduction.

This case should be reassigned to the Honorable Judge Patricia A. Gaughan because she is already familiar with the parties and many of the legal principles that will be at issue. Last year, MacroPoint sued FourKites for patent infringement, and Judge Gaughan presided over that case. After six months of litigation, including fact discovery, service of patent contentions, and multiple rounds of briefing by the parties, Judge Gaughan found MacroPoint's asserted patents invalid and dismissed MacroPoint's claims. MacroPoint's appeal of that decision is currently pending.

In the meantime, MacroPoint continued to wage a patent enforcement campaign against FourKites. MacroPoint prosecuted patent applications related to the same patents that Judge Gaughan previously invalidated, and obtained a new patent. Despite previously choosing this forum for its last two patent infringement cases, MacroPoint decided, however, that this time it would shop for a new forum, asserting the new patent against one of FourKites' customers in the United States District Court for the Eastern District of Texas. MacroPoint also misrepresented the status and legal significance of the invalidated patents to current and potential FourKites customers. FourKites filed this case to address those improper actions, and to secure a declaration from this Court that the additional patents asserted by MacroPoint are likewise invalid.

That the Court and the parties will benefit from Judge Gaughan's familiarity with the history between the parties and the technology at issue in the patents-in-suit is undeniable. Nonetheless, MacroPoint rejected FourKites' request that the parties jointly make this motion to reassign the case to Judge Gaughan. MacroPoint's rationale for this abject refusal may not (yet) be expressly stated, but impliedly it no doubt hopes to avoid the Judge who has already invalidated its patents. Not allowing Judge Gaughn to address this case as well, however, stands to negatively impact the Court -- Given the time, energy, effort, and cost that will have to be invested by a new judge to become familiar with issues and technology that Judge Gaughn has already addressed. FourKites' motion should be granted, and this case should be reassigned to Judge Gaughan.

II. Background.

A. The Original MacroPoint v. FourKites Case.

On May 19, 2015, MacroPoint sued FourKites for infringement of United States Patent No. 8,604,943 ("the '943 patent") based on FourKites' freight tracking services and product offerings. *See* Case No. 15-cv-1002, Dkt. # 1 (N.D. Ohio). MacroPoint did not serve FourKites with process but instead blanketed the industry with threatening letters referencing the complaint it had filed. Eager to vindicate itself, FourKites voluntarily appeared on June 23, 2015, and filed a motion to dismiss. Case No. 15-cv-1002, Dkt. # 6. On July 10, 2015, the Court held a case management conference during which MacroPoint informed the Court that it intended to amend its complaint to assert additional patents. The Court thereafter entered an agreed schedule that included standard case deadlines as well as a briefing schedule on FourKites' anticipated renewed motion. Case No. 15-cv-1002, Dkt. # 15.

On July 24, 2015, MacroPoint filed its amended complaint, in which it alleged infringement of the '943 patent, as well as United States Patent Nos. 9,070,295 ("the '295 patent"), 9,082,097 ("the '097 patent'), 9,082,098 ("the '098 patent"), and 9,087,313 ("the '313 patent"). Case No. 15-cv-1002, Dkt. # 16. Between July and October 2015, the parties filed hundreds of pages worth of briefing and supporting exhibits concerning whether MacroPoint's were invalid under 35 U.S.C. § 101. *See* Case No. 15-cv-1002, Dkt. ## 18, 21, 22, 23, and 24. MacroPoint's submissions included two expert declarations that purported to explain the technology of the patents in detail. Case No. 15-cv-1002, Dkt. ## 21-3, 21-4.

The parties proceeded with the substantive case, producing documents and engaging in written discovery. In August 2015, MacroPoint served infringement contentions for each of the five patents-in-suit. FourKites served non-infringement contentions in September 2015 and invalidity contentions in October 2015. In early November 2015, the parties exchanged their lists of terms for claim construction, and noted that no constructions were necessary.

On November 6, 2015, the Court entered an order finding all the claims of MacroPoint's patents invalid because they were directed to unpatentable subject matter under 35 U.S.C. § 101, and dismissing the case. Case No. 15-cv-1002, Dkt. # 26. In a thorough, fourteen page memorandum opinion, Judge Gaughan analyzed the subject-matter of MacroPoint's patents and concluded that they were not directed to patentable subject matter. As such, they were invalid under 35 U.S.C. § 101. Case No. 15-cv-1002, Dkt. # 25. MacroPoint appealed that decision, Case No. 15-cv-1002, Dkt. # 28, and the Court of Appeals for the Federal Circuit is expected to hear argument on December 6, 2016. *See* Case No. 16-1286 (Fed. Cir.). In the event the case is reversed and remanded, Judge Gaughan would continue to preside over it. *See* L.R. 3.1(b)(4).

B. This MacroPoint v. FourKites Case.

This case arises out of MacroPoint's ongoing efforts to misuse the threat of legal proceedings to gain an unfair competitive advantage in the market for the parties' respective freight tracking services and product offerings. As noted above, after MacroPoint filed its original suit against FourKites, it used the existence of the case to intimidate potential customers. Even after FourKites voluntarily appeared and the litigation began, MacroPoint continued to threaten customers and to attempt to cause uncertainty in the industry with respect to FourKites by creating media coverage that mischaracterized the scope of its patents. MacroPoint's unfair practices continued despite Judge Gaughan's dismissal of its claims and the pending appeal to the Federal Circuit.

In August 2016, MacroPoint obtained issuance of a new patent—U.S. Patent No. 9,429,659 ("the '659 patent"). On the same day the '659 patent issued, MacroPoint sued Ruiz Food Products ("Ruiz Foods") in the United States District Court for the Eastern District of Texas for infringement of the '659 patent, as well as United States Patent No. 8,275,358 ("the '358 patent"). The '659 patent is a continuation in the same family of patents as the patents invalidated by Judge Gaughan. *See* Dkt. # 3-2. The '358 patent, while belonging to a different patent family, is substantially similar and directed to the same general technology. *See* Dkt. # 3-5. Ruiz Foods is a customer of FourKites, and its alleged use of FourKites' freight tracking services and product offerings forms the basis for MacroPoint's allegations of infringement.

The suit against Ruiz Foods heralded a new round of threats by MacroPoint against FourKites' current and potential customers. FourKites could not allow MacroPoint to go on any longer interfering with and threatening FourKites' legitimate business relationships. It filed the present suit seeking not only injunctive relief and damages for MacroPoint's unfair competition and anticompetitive practices, but also for declaratory judgments that the '659 patent and '358 patent are invalid and not infringed. Thus, the core issues in this case will focus on the subject-matter of the ’659 patent and ’358 patent, which are substantially related to the patents previously considered by Judge Gaughan.

III. Legal Standard.

Local Rule 3.1(b) provides: “A case may be re-assigned as related to an earlier assigned case with the concurrence of both the transferee and the transferor District Judges, with or without a motion by counsel.” This Court appears to have published a decision concerning the application of this Rule only once. *See Bloedow v. CSX Transp., Inc.*, 638 F. Supp. 2d 831, 835–36 (N.D. Ohio 2009). While in that case the Court denied the motion to reassign given the passage of more than five years between the first case and the case to be reassigned, it nonetheless reflects that the rationale for assigning related cases to one judge is driven by practical concerns about judicial economy, and decisions concerning analogous rules or principles or by courts with similar rules confirm.

For example, this Court’s Local Criminal Rule 57.9(b) is analogous to Local Rule 3.1(b). In overruling a defendant’s objection to the reassignment of cases based on their relatedness, the Court observed, “[t]he obvious purpose of this rule is to conserve judicial resources by permitting a judge already familiar with the record of one case to also administer related cases, which are likely to share facts and legal issues. Such a rule is especially beneficial in cases, such as the present one, where the records are voluminous.” *United States v. Calabrese*, No. 1:11-cr-437, 2012 WL 1466560, at *2 (N.D. Ohio Apr. 27, 2012).[1]

---

[1] Likewise, the Western District of Michigan’s Local Rule 3.3(d)(iii) calls for the reassignment of related cases “when a filed case (1) relates to property involved in an earlier numbered pending suit, or (2) arises out of the same transaction or occurrence and involves one or more of the same parties as a pending suit, or (3) involves the validity or infringement of a patent already in suit in any pending earlier numbered case.” When such overlaps exists, “it makes the most sense, in terms of judicial economy, convenience, and minimizing the parties' litigation costs and time spent on the cases, to have a single judge handle both cases and, in particular, to decide whether consolidation

And although the "transfer" here would be from the fifteenth floor to the nineteenth floor, the "interest of justice" that is often determinative of motions to transfer venue is equally applicable here. *See, e.g.*, *Limited Serv. Corp. v. M/V APL PERU*, 2:09-CV-1025, 2010 WL 2105362, at *6 (S.D. Ohio May 25, 2010) (transferring case to another forum because "[t]he prospect of parallel litigation . . . coupled with the prospect of inconsistent adjudications . . . is inimical to the interest of justice and would disserve the parties"). Related patents and factual issues should be handled by a single judge to avoid conflicting rulings.

IV. Argument.

This case and Case No. 15-cv-1002 are related cases that should be presided over by a single judge. Although the particular patents at issue in each case are different, the patents are themselves substantially related to each other and largely concern the same subject matter. Indeed, the written description of the '659 patent is substantively identical to the written descriptions of the '943, '295, '097, '098, and '313 patents invalidated by Judge Gaughan. While the '358 patent may be from a different family, it generally relates to the same basic concepts and pertains to the same technology with which Judge Gaughan already familiarized herself.

Similarly, although this case includes additional business tort claims by FourKites, the underlying facts are intricately related to those that were already at issue before Judge Gaughan. This case is simply a continuation of an ongoing battle between MacroPoint and FourKites, in which MacroPoint has attempted to wield the legal system—and in particular, the allegations filed in Case No. 15-cv-1002—as a weapon in the market place for freight tracking services and

or a stay is appropriate." *Phoenix Aviation Managers, Inc. v. Knisley Welding, Inc.*, No. 1:05-cv-498, 2005 WL 2313584, at *2 (W.D. Mich. Sept. 22, 2005).

product offerings. Thus, while the specific legal claims may be new, the operative facts build from and are an extension of that which began in the case before Judge Gaughan.

Finally, although FourKites is confident that it will prevail in MacroPoint's appeal of Judge Gaughan's decision regarding the invalidity of the '943, '295, '097, '098, and '313 patents, there is nonetheless the potential that the Federal Circuit could reverse and remand the case for further proceedings. In that event, this case and Case No. 15-cv-1002 would involve the same parties, the same allegedly infringing technologies, and substantially related patents, but the cases would be assigned to two different judges. This is precisely the kind of scenario that the related case rule is intended to avoid.

In short, there is no good reason for this case not to be reassigned to Judge Gaughn. To promote judicial economy, to conserve the resources of the Court and the parties, and to avoid inconsistent rulings, the Court should reassign this case to the Honorable Judge Patricia Gaughan pursuant to Local Rule 3.1(b)(3).

V. Conclusion.

WHEREFORE, Plaintiff FourKites, Inc. prays the Court grant its motion and enter an order reassigning this matter to the Honorable Judge Patricia Gaughan, and for all other relief the Court deems just and appropriate.

Respectfully submitted,

/s/ R. Eric Gaum

R. Eric Gaum (0066573)
regaum@hahnlaw.com
Nathan B. Webb (0084506)
nwebb@hahnlaw.com
HAHN LOESER & PARKS LLP
200 Public Square, Suite 2800
Cleveland, OH 44114
Phone: 216-621-0150

Fax: 216-241-2824

Gary E. Hood (pro hac vice)
ghood@polsinelli.com
Adam S. Weiss (pro hac vice)
aweiss@polsinelli.com
Mark T. Deming (pro hac vice)
mdeming@polsinelli.com
POLSINELLI PC
161 North Clark, Suite 4200
Chicago, IL 60601
Phone: 312-819-1900
Fax: 312-819-1910

Counsel for Plaintiff,
FourKites, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on November 23, 2016, a copy of the foregoing document was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Parties may access this filing through the Court's system.

/s/ R. Eric Gaum
One of the Attorneys for Plaintiff,
FourKites, Inc.